

Executive Registry

8-6324

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Inspector General Survey of SR Division

REFERENCE : Your memorandum of 4 July 1956

1. In accordance with the request contained in the reference memorandum we are furnishing our comments on the IG Report of the Survey of the SR Division. (TS-158440)

2. The Division benefited from the survey through the discussions that took place at all levels of the Division as various activities were reviewed and analyzed. As expressed in the attachment, we are in accord with many of the recommendations in the report and have reservations in respect to others. Our comments are addressed to the recommendations and the primary facts and opinions bearing on the recommendations. We are not submitting comments on every point in the text of the report.

3. We note the fact that woven throughout the report is a recognition that the SR Division is probably the CS element with the most complex ties to Staffs, Divisions, other elements within CIA, and outside in the Intelligence Community. The missions and tasks placed upon the Division have grown in direct proportion to the expansion of Soviet activity and the engagement of the Clandestine Services with it on an increasingly broad front.

4. The expansion in the scope of CS operations against Soviet targets as reflected in almost every Related Mission Directive given to the field, is placing a growing burden upon the Division's capability to provide the desired level of support and guidance in such fields as . Given the rigidities of the present ceiling structure, constant rationalization, priority revision, and selection of tasks is necessary. However, it may be forecast that even this process will be outrun by our growing operational responsibilities. Sooner or later it will become necessary either to ease ceiling restrictions enough for the Division to keep pace with the operational requirements placed upon it, or to admit our inability further to expand either SR operations against Soviet targets or SR support to other CS elements engaged in such operations.

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FRANK G. WISNER
Deputy Director, (Plans)

Attachment

DD/P Comments on IG's Report
29 June 1956

A. The report summarizing the results of the Inspector General's Survey of the USSR Division presents 33 recommendations of which 32 pertain to specific subjects and one covers all other recommendations contained in the report. This attachment to the memorandum for the DCI presents comments on the 32 recommendations in the IG's report. Comments on the 33rd and last recommendation are not presented separately in this enclosure, as pertinent points are reflected in comments on the other recommendations.

B. Comments on recommendations are presented in the numerical order established in Section II of the IG's report.

1. Since the statement of the SR Division Mission and functions was approved by DD/P on 21 August 1956 this recommendation is considered out of date.

2. The recommendation on development of operational principles and plans coincides with the concepts of the SR Division. There appears to be complete agreement in principle and the Division will continue in its efforts in this direction. However, for practicable reasons, the Division does not favor a restatement of objectives and tasks by 1 September 1956 covering the Fiscal Year 1957. In an endeavor to provide a basis for long-term objectives, the Division initiated an approach to the problem several months ago with the view of completing initial statements prior to the preparation of the Country Appendix (to the General Plan) scheduled for review during the second quarter of fiscal 1957. The Division proposes to proceed with a current schedule pointed towards a major revision of the Country Appendix, which when approved should provide a basis for a revision of the final fiscal 1958 and development of initial fiscal 1959 operational programs.

3. Recent advices from the DCI hold out little or no hope for increases in personnel ceilings within the DD/P, for the foreseeable future, with the limited exceptions of [redacted]. This recommendation, therefore appears somewhat unrealistic. If, however, it should be determined in due course that ceiling slots can be made available to SR Division as a result of certain readjustments, especially in [redacted]

[redacted] it would be advisable to increase the reports officer capabilities of the SR Division, both at Headquarters and in the field, and to step up its [redacted]. Satisfaction of the other items mentioned in this broad recommendation should depend on availability of further ceiling slots, as against the general overall needs of the DD/P.

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25X1 4. Concur. The SR Division has been assigned responsibility for the preparation [redacted] prior to 1 November 1956.

25X1 5. This recommendation does not point so much at the need for the better coordination [redacted], which we feel is adequate, as at the wider operational implementation of the program. The new spark can come from adding strength to the program. SR will plan to add an experienced operations officer to [redacted] provide in-

25X1 creased emphasis in the specific areas encompassed in the recommendation.

25X1 6. Consideration will be given to the advisability of relocating the present [redacted] activity in the organizational structure as the overall division situation is analyzed. The Division is opposed to a change at this time. In any event to take such action independently would further complicate a problem already difficult due to the number of separate entities in the Division.

25X1 7. The SR Division agrees to a review of the [redacted] files in the [redacted] Section with the objective of returning [redacted] those which are not needed on a current basis. It is anticipated that the number of files returned will be small but it will probably take 90 days for the available personnel to screen the files and keep abreast of the current demands for support.

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25X1 8. Concur. The SR Division has been assigned responsibility for the preparation [redacted] prior to 1 November 1956.

25X1 9. The SR Division generally agrees on limiting the number of staff and contract personnel of DOB to approximately the FY-1956 level. The budgetary needs may logically increase without an increase in personnel and there is reservation on the advisability of a monetary limitation at the FY-1956 level.

[redacted]

25X1 11. Although we would have no strong objection to the carrying out of this recommendation, it should be noted that the problem was discussed at some length [redacted] earlier in the year, and at that time the consensus of division representatives rejected a similar recommendation. It is further reported by SR representatives [redacted] in February

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25X1 1956 that the [] program was thoroughly understood.

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14. Concur. The [] memorandum of 6 August 1956 for all CS Staffs and Divisions emphasized current policy.

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15. Project [] renewal was approved by CFI as of 13 August 1956. Delay in accomplishing this renewal was the direct result of operational security weaknesses in the project which required the most careful consideration, particularly by the CI Staff, before renewal.

16. The SR Division concurs in the recommendations regarding the issuance on or before the first day of each quarter, of tentative quarterly allotments subject to adjustment. Steps are being taken to implement this recommendation and arrangements have already been made for informal telephonic confirmation from the Budget Division to speed up allotment releases. Thus, whenever sufficient information is not available to prepare a firm allotment so as to be received by the Field on or before the first day of each quarter, tentative allotments subject to later confirmation will be issued.

17. In concurring generally with this recommendation, it is desired to point out that the recommendation assumes that there is such a thing as a "general reliability" of SR reports and also that it is possible

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for a well instructed reader to infer from the generalized source descriptions the probable operational incidents reflected in it. Neither of these assumptions is necessarily correct. SR reports, like other reports, vary widely in reliability. However, if the point involved is that, when information is described by SR as coming [redacted] the statement is regarded by our customers as a loose figure of speech rather than as literally true, the point is a valid one. Not only should it be made [redacted] but also [redacted] to the customers of CS reports.

18. The practice of printing on the back of CS reports an explanation of the source evaluation and appraisal of content tables was abandoned under pressure from the Forms Control office because of an estimated saving of [redacted] a year. FI would be happy to reinstate this useful device, in accordance with the IG recommendation.

19. The SR Division concurs with the recommendation regarding personal contacts between SR personnel and selected analysts of the intelligence production components [redacted] It is believed advantageous for individuals with specialized background in intelligence production to be integrated into the SR organization. It also is believed that in time there should be a reversal lateral movement whereby individuals with understanding of CS capabilities and limitations be integrated into the DD/I structure.

20. On 7 May 1956, [redacted] assigned one translator to duty with DD/P and he was provided with office space [redacted] He handles eleven languages competently. As soon as further space can be made available [redacted] is prepared to increase this task force.

[redacted]

22. This recommendation arises out of a statement made by [redacted] in the course of the survey, in which he sought to indicate that [redacted] was just reaching the point where it might begin to think about taking on additional functions such as the auditing of undissemated material. More exact consideration leads to the conclusion that such a function cannot possibly be undertaken with present personnel strengths. To attempt to review the undissemated product of any area division would require that [redacted] eliminate other functions or take on several new officers. Of its present functions there is none which could properly be sacrificed for this purpose. Reports officers in the division are generally inclined to resolve doubts in favor of dissemination. Furthermore, they have been advised that [redacted] prepared to procure predissemation evaluation of material that may be in question. While it is useful [redacted] to have

the authority to make a review of the undissemminated product in any division, it will seldom be advisable to use this authority, and it is certainly not practicable to make such reviews as a routine matter. Decisions relative to the disseminability of intelligence information must lie primarily within the jurisdiction of area divisions, which are best equipped in area knowledge to handle such matters. With respect to the dissemination of operational intelligence under [] any participation in that process would merely distract [] its proper concern with positive intelligence information.

23 and 24. We are in agreement with Recommendation 23 in principle and 24, since the SR backlog is not entirely a matter of manpower. The SR philosophy on reporting, which places undue emphasis on research and highly finished work, costs valuable time in getting intelligence information to the users. Compliance with this recommendation would contribute to the reduction of the backlog mentioned in Recommendation 23. As competent reports officers can be spared from the area divisions or other Agency components for this work, the recommendation 23 will be carried out.

25. Concur. Effective 4 September 1956 [] material is being sent directly to SR.

26. The problem of organization structure of the SR Division is well recognized as difficult, and an improvement in the current structure is desirable. However, the organization suggested in Attachment C of the IG's report is not considered an improvement over the current arrangement. The suggested structure would require the [] to supervise chiefs of [] separate division components. Whereas, the Division does not concur in the recommendations on division organization, it does recognize that a problem exists and will continue to work for a satisfactory solution.

27. The SR component responsible for intelligence support, [] must be responsive to many needs of the Division. From a practical viewpoint, the balance between crash demands and basic research must result from continual compromise. It is recognized that the office of the [] is the point of resolution for questions of priorities. The Division sees no net gain at this time in changing the unit from its present branch status to a staff unit under []

28. The Division has no objection in principle to the concept expressed in the text of the report related to the role of a [] However, to reconstitute the [] without a new and improved solution to the question of division organization structure would compound the management problem.

[] has recognized points in its favor if ways and means can be found to reasonably reduce the number of components reporting to the [] The consolidation and

integration of the activities has been complicated, as recognized in the IG's report by the physical separation of the sections. In face of the space situation the Division will renew its efforts to bring the sections together physically to facilitate the desired integration of the activities. The Division accepts the principle of requirements/reports officers for operating branches and selected field stations (recommendation #2). As the personnel are available and trained, the Division proposes to proceed with the assignments.

25X1 30. In regard to renumbering branches, the Division proposed on
one occasion to designate the Headquarters unit [redacted]
25X1 [redacted] It was brought to the attention of the Division that the
use of the former designation of [redacted] would complicate matters for
25X1 [redacted] and while those problems were not insurmountable, the proposal
was dropped. Continuity in branch numbering was not considered worth
25X1 the resulting complication in records and mail distribution. The Division
suggests that no changes in designation be attempted at this time.

31. The SR Career Committee has served since inception as a very useful forum for discussion of all available information concerning each personnel action in the Division. Personnel records have not always adequately revealed information necessary on which to base decisions. The SR Division does not concur in the Inspector General's recommendation to eliminate the SR Career Committee but is taking steps to reduce the time required for the activity.

32. The Division has given careful deliberation to the total problems involved in manpower utilization, manpower requirements and training. The minimum manpower requirements have been stated in previous submittals and SR is now bound by a ceiling. Thus, from a practical standpoint, the manpower study on which SR is now working will enable it to determine what work should be discontinued in order to provide for new tasks being assigned. SR has continually sought to identify training needs in order to guide individuals and the percentage in training, as indicated in the IG's report, has been far in above of the required minimum. The career plans being gradually developed by the Staff Career Boards influence the nature of the Division effort. The SR Division agrees in principle with the Inspector General's recommendation and, to the extent of its capabilities, will proceed along the lines indicated in the report.